

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Alex Gurza

SUBJECT: SEE BELOW

DATE: May 19, 2014

Approved

Date

5/20/14

SUBJECT: APPROVAL OF THE TERMS OF AN AGREEMENT WITH THE ASSOCIATION OF LEGAL PROFESSIONALS (ALP) WITH A TERM OF JULY 1, 2014 THROUGH JUNE 30, 2015

RECOMMENDATION

Adopt a resolution to approve the terms of a collective bargaining agreement between the City and the Association of Legal Professionals (ALP), and authorizing the City Manager to execute an agreement with a term of July 1, 2014, through June 30, 2015.

OUTCOME

Adoption of the resolution and authorization to execute an agreement would result in a collective bargaining agreement between the City of San Jose and the Association of Legal Professionals (ALP) for the period of July 1, 2014, through June 30, 2015.

BACKGROUND

The City of San Jose's collective bargaining agreement with the Association of Legal Professionals (ALP) will expire on June 30, 2014. ALP currently represents approximately thirty-five (35) full-time equivalent positions. This unit is comprised of employees in the City Attorney's Office in the classifications of Senior Deputy City Attorney, Senior Deputy City Attorney I-IV, Deputy City Attorney I-IV, Legal Services Manager, Senior Legal Analyst, and Associate Deputy City Attorney.

In May 2014, negotiations with ALP on a successor agreement commenced and, on or about May 8, 2014, the City and ALP reached an overall Tentative Agreement on the terms to be contained in the successor MOA between the City and ALP.

On or about May 15, 2014, ALP notified the City that the ALP membership ratified the Tentative Agreement.

ANALYSIS

A complete copy of the Tentative Agreement is attached. The following is a summary of the key provisions of Tentative Agreement.

Term	July 1, 2014 – June 30, 2015
General Wage Increase	Effective June 22, 2014 , all employees represented by ALP will receive a base pay increase of approximately 3.0%. This will result in both the top and bottom step of the pay range being increased by approximately 3.0%.

EVALUATION AND FOLLOW-UP

The Side Letter Agreement on Retiree Healthcare Stakeholder Solutions Working Group and Negotiations will also continue. Additionally, the City and ALP agree to meet and confer on Retirement Board Governance changes that are within the scope of bargaining.

PUBLIC OUTREACH/INTEREST

- ☐ **Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- ☐ **Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this action does not meet any of the criteria listed, this memorandum will be posted on the City's website in advance of the June 3, 2014, Council Agenda.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

May 19, 2014

Subject: Approval of Terms of an Agreement with ALP

Page 3 of 3

COST SUMMARY/IMPLICATIONS

The ongoing increased annual direct cost of the 3% general wage increase is approximately \$200,000 in all funds, of which \$170,000 is in the General Fund. Funding to support the recommended wage increase is contained in the Employee Compensation Planning Reserves in the General Fund and all other special funds, as appropriate, as part of the 2014-2015 Proposed Operating Budget. Actions to increase departments' appropriations, offset by reductions to the Employee Compensation Planning Reserves, will be included in a separate Manager's Budget Addendum for inclusion in the 2014-2015 Adopted Operating Budget. The 2014-2015 Proposed Budget is scheduled for City Council approval on June 17, 2014.

CEQA

Not a Project, File No. PP10-069(b), Personnel Related Decisions.



Alex Gurza
Deputy City Manager

For questions please contact Alex Gurza, Deputy City Manager, at (408) 535-8155.

Attachment

**2014 CITY OF SAN JOSE – ALP
TENTATIVE AGREEMENT***

TERM

July 1, 2014 – June 30, 2015

WAGES

3% General Wage Increase

Effective June 22, 2014, all salary ranges for employees holding positions in classifications assigned to ALP shall be increased by approximately 3%.

SIDE LETTER AGREEMENTS

The following side letter will continue:

- Retiree Healthcare Stakeholder Solutions Working Group and Negotiations, as extended by mutual agreement of the parties. – See Attached

OTHER

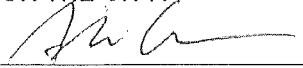
The Union agrees to meet and confer on Retirement Board Governance changes that are within the scope of bargaining.

All other terms and conditions of the current MOA will continue through the term of this agreement.

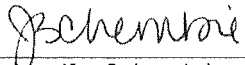
** This agreement is considered tentative and shall not be considered final or binding until ratified by the membership and approved by the City Council. This document sets forth the full agreements of the parties reached during these negotiations. Anything not included in the document is not part of the Tentative Agreement.*

2014 CITY OF SAN JOSE – ALP
TENTATIVE AGREEMENT*

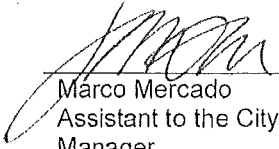
FOR THE CITY:

 5-8-14

Alex Gurza Date
Deputy City Manager

 5/8/14

Jennifer Schembri Date
Deputy Director of
Employee Relations

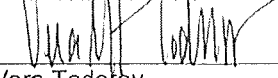
 5/8/14

Marco Mercado Date
Assistant to the City
Manager

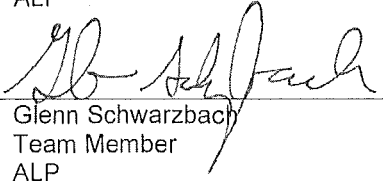
 5/8/14

Kakshi Master Date
Executive Analyst

FOR THE UNION:

 5/8/2014

Vera Todorov Date
President
ALP

 5-8-2014

Glenn Schwarzbach Date
Team Member
ALP

Side Letter Agreement

RETIREE HEALTHCARE STAKEHOLDER SOLUTIONS WORKING GROUP AND NEGOTIATIONS

PURPOSE

The parties recognize the importance of funding the current retiree healthcare benefit, and since 2009, have been increasing contributions into the plan in order to begin paying the full Annual Required Contribution to ensure funding of the retiree healthcare benefit.

Neither the City nor the bargaining units have committed to close the plan. However, new employees will not enter the existing retiree healthcare plan. Since current employees share in paying the unfunded liabilities of the current retiree healthcare benefit, new employees who are not in the current plan would not be making those payments. The City has agreed to make the contributions towards the unfunded liabilities that those new employees would have paid had they been in the current plan. The City has agreed to do so in order to allow time for long-term solutions to be developed by a Retiree Healthcare Solutions Working Group ("Working Group") and negotiations.

The goal of the Working Group shall be to develop options that lead to long-term solutions to the retiree healthcare issue.

The City and the Coalition¹ have agreed to immediately continue working on solutions to retiree healthcare both through the Working Group and subsequent negotiations. The parties are committed to working collaboratively towards long-term solutions and have agreed to remain open to considering various options. The options considered will include, but are not limited to, the following:

- Using high-deductible healthcare plans in combination with individual health savings accounts;
- Limitations on the current retiree healthcare benefit in combination with individual health savings accounts;
- Tiered healthcare benefit structures based on length of employment;
- Modification of eligibility requirements;
- Health plan design and rate structure changes;
- Incentives for employees to work beyond normal retirement eligibility; and
- The inclusion or exclusion of new employees in any modifications, or the formation of a completely different plan for new employees.

¹ The San Jose Federated Labor Coalition consists of the following nine (9) bargaining units: Association of Building, Mechanical, and Electrical Inspectors (ABMEI), Association of Engineers and Architects (AEA), Association of Legal Professionals (ALP), Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel (CAMP), Confidential Employees' Organization (CEO), International Brotherhood of Electrical Workers (IBEW), Municipal Employees' Federation (MEF) and International Union of Operating Engineers, Local #3 (OE#3).

RETIREE HEALTHCARE STAKEHOLDER SOLUTIONS WORKING GROUP

Facilitator:

By August 1, 2013, the City and the Coalition members will mutually agree on an independent person or entity that is knowledgeable in the area of retiree healthcare benefits to facilitate the Working Group.

The facilitator will facilitate the discussions, provide information to the parties, and generally assist in the development of options for long-term solutions. Upon the mutual agreement of the City and Coalition members, other subject matter experts may be engaged to assist in analyzing possible solutions.

The costs of the facilitator and any subject matter experts will be shared equally between the City and the Coalition members.

Participation:

In addition to the City and a representative from each bargaining unit in the Coalition, members of the Working Committee will include a representative of the retirees, and any unrepresented employee group(s).

Meetings:

The City and the Coalition will jointly schedule Working Group sessions in coordination with the facilitator. More frequent and longer Working Group sessions will be scheduled in the early stages of the process. The Working Group sessions will be open to employees and the public.

TIMELINE FOR RETIREE HEALTHCARE SOLUTIONS WORKING GROUP AND NEGOTIATIONS:

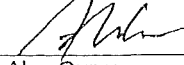
The Working Group shall agree upon a facilitator no later than August 1, 2013. The time period to schedule Working Group sessions will be from August 1, 2013, and conclude no later than December 31, 2013, unless the parties mutually agree to extend the timeframe. The City and the Coalition agree that this process will not supplant the meet and confer process regarding retiree healthcare.

Negotiations between the City and the bargaining units shall commence within 14 days upon notice of either party, but no earlier than January 1, 2014. The City and the bargaining units shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply. The parties intend to meet and confer through coalition bargaining. However, all parties reserve their respective rights to withdraw from coalition bargaining. In such an event, the City and any bargaining unit that withdraws from the Coalition will bargain separately.

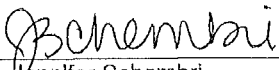
Side Letter Agreement
Retiree Healthcare Stakeholder Solutions Working Group and Negotiations

This Side Letter Agreement is considered part of the tentative agreement on retiree healthcare with the bargaining units and shall become effective only as part of the overall retiree healthcare agreement. Each bargaining unit conducts separate ratification processes, and this Side Letter Agreement shall be effective for those bargaining units who ratify the overall tentative agreement on retiree healthcare and only during the term of those agreements with each respective bargaining unit.


FOR THE CITY:

 6-11-13

Alex Gurza Date
Deputy City Manager

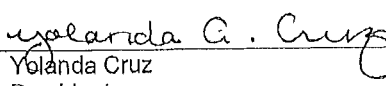
 6/11/13

Jennifer Schembri Date
Deputy Director of Employee Relations

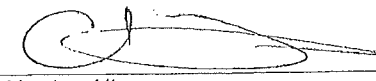
 6/11/13

Cheryl Parkman Date
Executive Analyst
Office of Employee Relations

FOR THE UNION:

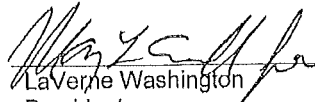
 6/10/13

Yolanda Cruz Date
President
MEF, AFSCME Local 101

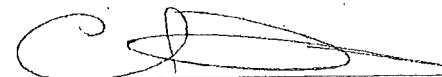
 6/10/13

Charles Allen Date
Business Agent
AFSCME, Local 101

FOR THE UNION:

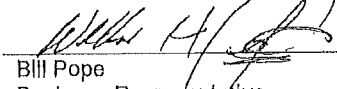
 6/10/13

LaVerne Washington Date
President
CEO, AFSCME Local 101

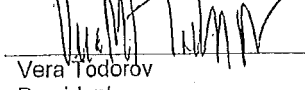
 6/10/13

Charles Allen Date
Business Agent
AFSCME, Local 101

FOR THE UNION:

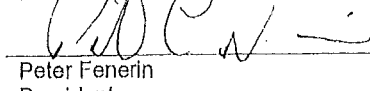
 _____
Bill Pope Date
Business Representative
Operating Engineers, Local 3

FOR THE UNION:

 6/13/13

Vera Todorov Date
President
ALP

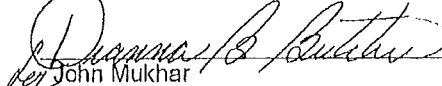
FOR THE UNION:

 6/10/13

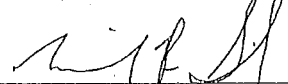
Peter Fenerin Date
President
ABMEI

Slide Letter Agreement
Retiree Healthcare Stakeholder Solutions Working Group and Negotiations

FOR THE UNION:

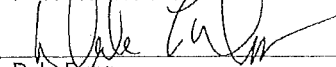
 6/10/13
Date

President
AEA, IFPTE Local 21

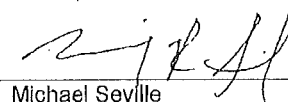
 6/10/13
Date

Michael Seville
Acting Senior Representative
IFPTE, Local 101

FOR THE UNION:

 6/10/2013
Date

Dale Dapp
President
AMSP, IFPTE Local 21

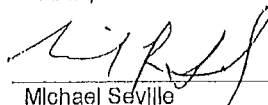
 6/10/13
Date

Michael Seville
Acting Senior Representative
IFPTE, Local 101

FOR THE UNION:

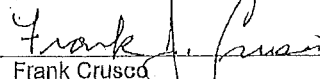
 6/10/2013
Date

Matt Farrell
President
CAMP, IFPTE Local 21


 6/10/13
Date

Michael Seville
Acting Senior Representative
IFPTE, Local 101

FOR THE UNION:

 6-10-13
Date

Frank Crusco
Chief Steward
IBEW, Local 332

 6/10/13
Date

Dan Rodriguez
Business Representative
IBEW, Local 332